Declaration in Industrial Growth, Imports/Exports and Disbursement of Industrial Credit

693. SHRI MOHAN BABU: Will the Minister of FINANCE be pleased to state:

(a) the quantum of deceleration reached in industrial growth, imports and exports and disbursement of industrial credit during the first six months of the current financial year as compared to the corresponding period last year; and

(b) whether there are any signs of the economic activity now picking up and, if so, what rate of growth in these sectors is expected during the fiscal year 1997-98 as compared to the last year?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) As per the quick estimate of Index of Industrial Production (IIP) for August 1997, the latest month for which such data are available in the current year, industrial production has registered a growth of 4.7 per cent during April-August, 1997 compared to 11.2 per cent during April-August, 1996. Export growth in US dollar terms, during April-September 1997 is provisionally estimated at 4.2 per cent compared to 9.9 per cent in the corresponding period last year. Imports growth in US dollar terms during the same period in the current year is provisionally estimated at 7.6 per cent compared to 5.2 per cent in the corresponding period last year. Non-food credit off-take after displaying a sluggish growth in the first half (decline of 0.5 per cent upto September 26, 1997 compared to a decline 0.2 per cent in the corresponding period last year) has picked up considerably in October, 1997, recording an increase of 1.3 per cent upto October 24, 1997 as against 1 per cent increase in the corresponding period of the previous year.

(b) Measures contained in the Union Budget and Credit Policy announced by RBI in April 1997, and October 1997 have created policy mix to improve investor's confidence and investment climate has shown distinct signs of improvement. This is reflected in the growth of sanction of assistance by All India Financial Institutions, during the first half by 46.3 per cent over the corresponding half of the previous year. The disbursement in the second half is expected to be better than in the first half. These and expected increase in rural income following sound agricultural growth in 1996-97 and good monsoon this year is likely to bring recovery of industrial production in the second half of the current year.

Financial Needs of Infrastructure Sectors

694. DR. MOHAN BABU: Will the Minister of FINANCE be pleased to state:

(a) whether any study has been made about the financial needs of various sectors of infrastructure;

(b) if so, the total investment needs of the country in infrastructure as also the sector-wise needs;

(c) whether any action plan has been prepared to mobilise resources both from the public and private sectors for different areas of infrastructure; and

(d) if so, the main features thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) Yes Sir.

(b) The total infrastructure investment requirements have been estimated at Rs. 4000 to Rs. 4500 billion between 1996—2000/1 by the "Expert Group on the Commercialisation of Infrastructure Projects" headed by Dr. Rakesh Mohan, in the India Infrastructure Report. Sector-wise break up as brought out in this Report is as under:

Urban Infrastructure: Rs. 800 to Rs. 940 billion between 1996 to 2001. Power Sector: Rs. 1834 billion between 1996—2001/1 Tele-communication; Rs.

740 billion between 1996—2001. Roads: Rs. 320 billion between 1996—2000/1 Port Sector: Rs. 100 billion between 1996—2001.

(c) and (d) Infrastructure has been awarded very high priority in the programme for industrial development. Procedures pertaining to FDI (Foreign Direct Investment) have been substantially relaxed in order to facilitate greater flow of funds into the core sectors of the economy. The Union Budget for 1997-98 has announced several fiscal incentives to encourage investment in infrastructure sectors.

Branches of Foreign Banks in the Country

695. SHRI ASHOK MITRA: Will the Minister of FINANCE be pleased to state:

(a) the full list of branches of foreign banks operating in the country;

(b) the gross profits registered by them during the last three years, year-wise and corporate taxes collected from them during these years; and

(c) whether there is any proposal to bring the foreign banks under the discipline of 'priority sector' lending?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) As reported by Reserve Bank of India, at present, 42 foreign banks are operating in the country and are having 182 branches as per list at Statement I (*See* below)

(b) The details of gross profits registered by the foreign banks during the last 3 years i.e. 1995, 1996 & 1997 (year-wise) is given in Statement II (*See below*). Information relating to the corporate taxes collected from foreign banks is being collected and will be placed on the Table of the House.

(c) At present foreign banks operating in the country are required to lend to the priority sector 32 per cent of their net bank credit of which atleast 10 per cent is required to be lent to small scale industreis and 12 per cent for financing exports.

Statement-I

List of branches of foreign banks operating in India

Sr. No.	Name of the banks	Branches at	Total
1.	American Express Bank	Mumbai 1	
		Calcutta 1	
		New Delhi 1	
		Chennai 1	4
2.	Bank of America NT & SA	Mumbai 1	
		Calcutta 1	
		New Delhi 1	
		Chennai 1	4
3.	Citibank N.A.	Mumbai 2	
		Calcutta 2	
		New Delhi 1	
		Chennai 1	6
4.	Chase Manhattan Bank	Mumbai 1	1
5.	British Bank of the Middle East	Mumbai 1	
		Thiruvanathapuram 1	2